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THE

*Market Administrator's*

# BULLETIN

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MARKET ADMINISTRATOR

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ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

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## THE DAIRY SITUATION

Production of milk rose slightly above a year earlier in October and November, after running lower in the preceding 5 months. For 1958 as a whole, production will fall a little short of the record 126.4 billion pounds produced in 1957.

The slight drop in milk production after 5 years of increase occurred even though feed supplies were large, pastures good and milk-feed price relationships favorable. The major factor was the sharp rise in prices of meat animals which increased the culling rate in dairy herds and probably induced a more rapid exodus of farmers out of dairying. The number of milk cows on farms as of mid-1958 was 3.5 percent below a year earlier.

In 1959, the number of milk cows probably will not decline as sharply as in 1958. And production per cow is almost certain to reach another new high record, unless pasture and growing conditions drop considerably below average. As a result, some increase in milk output is likely in 1959.

The quantity of milk used in factory products decreased slightly this year. This was due to the fact that total use of fluid milk probably at least equalled 1957, while milk production declined slightly. Production of all factory items was down from 1957 except "other" cheese, ice cream and nonfat dry milk. American cheese showed a little greater percentage reduction than butter, but in terms of milk used, butter accounted for a larger reduction. Cheese output first dropped under 1957 in late January and butter in early April. Cheese rose above

a year earlier beginning in September, but butter continued lower through November.

Cheese consumption from commercial sources increased sharply this year, and private stocks also rose. With cheese production also smaller, purchases of cheese for price support so far in the 1958-59 marketing year are down from last year. Purchases of butter by the CCC for price support are down by about the same amount as production. Butter and cheese purchased combined in the first 8 months of this marketing year were equivalent to 2.3 billion pounds of milk, fat solids basis, compared with 4.5 billion a year earlier.

Prices to farmers for milk and butterfat are averaging about 2 percent lower this year than last. However, prices of both manufacturing milk and butterfat are running somewhat above the reduced support levels announced last spring. Volume of marketings by farmers of milk (including butterfat) increased a little in 1958, despite the slight decline in production, as a result of a further decline in use of milk on farms. But cash receipts from the sale of dairy products are down about 1 percent from the record \$4.6 billion of 1957 because of lower prices. Receipts from cattle and calves sold from dairy herds increased substantially in 1958 over 1957.

## FEED CONCENTRATE SUPPLY UP 12 PERCENT OVER PREVIOUS YEAR

The total supply of feed grains and other concentrates for 1958-59, estimated on the basis of the December crop summary is 246 million tons, 12 percent more than in 1957-58 and a third larger than the 1952-56 average. Feed concentrate supplies have increased each year since 1952 when they totaled 168 million tons. The number of livestock and poultry to be fed also will be up this year as farmers are expanding hog production rather sharply and moderate increases in cattle feeding and poultry output are in prospect. The prospective increase in livestock numbers, in terms of grain-consuming animal units, is about 6 percent, or about half the increase in the total feed concentrate supply. The supply per animal unit of 1.44 tons is a new record, 5 percent larger than last year and 26 percent above the 1952-56 average.

The total utilization of feed concentrates is expected to be a little higher than in 1957-1958. So far during the current feeding year, there has been an active demand for most feed ingredients with larger tonnages of protein feeds going into consumption at higher prices than a year ago. Feed grain disappearance also was heavier in October-December this year than last. For the entire 1958-59 feeding year present indications

(Continued on page four)





Toledo

## MARKET FACTS FOR EASY REFERENCE

Based on Milk Testing 3.5% Butterfat  
F. O. B. Handler's Plant

### PRICE SUMMARY

Market Blend Price .....	
Class I .....	
Class II .....	
Producer Butterfat Differential for each 1/10% .....	

Jan. 1959	Dec. 1958	Jan. 1958
\$4,480	\$4,583	\$4.628
4.712	4.721	4.791
3.062	3.071	3.141
7.0¢	7.0¢	7.0¢

### PRODUCTION SUMMARY

Total Pounds of Producer Milk Delivered .....	
Average Daily Class I Producer Milk .....	
Average Daily Production per Producer .....	
Total Number of Producers .....	
Average Butterfat Test of All Producers .....	

Jan. 1959	Dec. 1958	Jan. 1958
25,122,031	23,851,643	23,660,735
691,234	692,784	679,861
570	529	472
1,422	1,455	1,617
3.84	3.91	3.82

### UTILIZATION SUMMARY

Amount of Producer Milk in Class I .....	
Amount of Producer Milk in Class II .....	
Percent of Producer Milk in Class I .....	
Percent of Producer Milk in Class II .....	
TOTAL VALUE AT 3.5% .....	
TOTAL VALUE AT TEST .....	
Income per Producer (7-day Average) .....	

Jan. 1959	Dec. 1958	Jan. 1958
21,428,268	21,476,296	21,075,687
3,693,763	2,375,347	2,588,048
85.3	90.0	89.1
14.7	10.0	10.9
\$1,125,478.40	\$1,093,173.83	\$1,095,011.33
1,185,845.00	1,161,670.93	\$1,148,949.83
\$188.30	\$180.25	\$160.44

### GROSS CLASS USE (Pounds)

Class I Milk .....	
Class II Milk .....	

Jan. 1959	Dec. 1958	Jan. 1958
21,610,359	21,662,740	21,776,533
6,906,155	6,053,434	6,047,239

## JANUARY PRICES PAID PRODUCERS (3.5% Milk)

Name of Handler	Jan. 1959	Price Prem. Paid	Dec. 1958	Price Prem. Paid	Jan. 1958	Price Prem. Paid
1. Adrian Dairy .....	\$4.50		\$4.68		\$4.66	
2. Babcock Dairy .....	4.43		4.50		4.80	
3. Cherry Grove Dairy .....	4.57		4.57		4.62	
4. Driggs Dairy Farm, Inc. ....	4.34		4.50		4.52	
5. Ernsthausen Dairy .....	--		--		4.57	
6. Independent Dairy .....	4.58		4.63		4.66	
7. Napoleon Creamery .....	4.41		4.51		4.72	
8. Ohio Cloverleaf Dairy .....	4.54		4.63		4.71	
9. Page Dairy Co. f.o.b. Toledo ..	4.47		4.60		4.57	
10. Page Dairy Co. f.o.b. Angola ..	4.30		4.43		4.40	
11. Pure Milk Dairy .....	4.41		4.60		4.78	
12. Sterling Creamery .....	4.60		4.73		4.73	
13. Trilby Farm Dairy .....	4.50		4.75		4.64	
14. Village Farm Dairy .....	4.70		4.66		4.28	
15. Woodville Riverside Dairy .....	4.37		4.46		4.43	

Note: In addition to the prices listed for milk testing 3.5% butterfat, a few producers received premiums for quality or high-testing milk.

**COMPARATIVE STATISTICS ★**

**TOLEDO MARKETING AREA**

★ **Jan., 1950-59**

Year	Receipts From Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class			Uniform Producer Price (3.5%)	Class Prices at 3.5%			Number of Producers	Daily Average Production
			Class I	Class II	Class III		Class I	Class II	Class III		
1950.....	14,344,182	3.80	77.7	5.4	16.9	3.697	3.905	3.305	2.767	2,125	218
1951.....	13,440,062	3.85	86.0	5.4	8.6	4.598	4.772	4.022	3.508	1,884	230
1952.....	13,075,587	3.82	89.3	4.9	5.8	5.574	5.667	5.367	3.954	1,814	233
1953.....	16,703,282	3.73	80.8	4.1	15.1	4.955	5.214	4.914	3.325	1,941	278
1954.....	19,600,274	3.76	80.6	19.4	--	4.442	4.764	3.067	--	2,038	310
1955.....	20,353,599	3.70	82.4	17.6	--	4.227	4.481	3.00	--	1,977	332
1956.....	21,936,398	3.75	85.1	14.9	--	4.399	4.625	3.108	--	1,875	377
1957.....	22,429,012	3.78	89.9	10.1	--	4.714	4.854	3.238	--	1,705	424
1958.....	23,660,735	3.82	89.1	10.9	--	4.628	4.791	3.141	--	1,617	472
1959.....	25,122,031	3.84	85.3	14.7	--	4.480	4.712	3.062	--	1,422	570

## 1958 Milk Production

### Below Previous Year

In spite of large feed supplies and favorable price relationships, milk production in 1958 was slightly less than in 1957. This followed 5 years of increase, years in which most of the above factors were less favorable than in 1958. The principal reason production did not increase was the rise in prices for cattles, calves and hogs during 1958. For both species, marketings for slaughter were reduced in order to build up herds. The reduction in the quantity of meat produced led to substantially higher prices to farmers for both beef cattle and hogs. This development encouraged many farmers to cull their herds more closely as the advance in beef prices provided a convenient means to upgrade their herds rapidly. Also, with the higher price for dairy animals and, temporarily at least, improved opportunities in the production of beef and hogs, a number of additional farmers shifted from the keeping of milk cows to specialization in other livestock. The drop in the number of dairy herds reduced the mid-1958 number of milk cows on farms, 3% below a year earlier, even though the size of herds continued to increase. At the be-

ginning of the year, the number of milk cows was down only 2 percent. Final data on the trend in numbers during the second half of the year will not be available until mid-February, 1959, but judging from the trend in monthly milk production, the number continued downward through the second half of 1958.

Production of milk in January, 1958 was 1.1 percent greater than a year earlier. This rate of increase tapered off in the next three months, and by May production was 1 percent below that of 1957. It continued lower through September, then showed a slight increase during October and November. The increase over a year earlier during the fall presumably reflects primarily the larger increase in rate of production per cow in the fall and in the summer, a development of recent years. Total production of milk, January through November, 1958, was 116.7 billion pounds (a decline of 352 million pounds) from the record of a year earlier. The slight downturn in 1958 was in sharp contrast to the gain in the preceding several years from 114.7 billion pounds in 1952 to 126.4 billions in 1957.

## Major Changes Made in 1959 Soil Bank Program

Changes in the Soil Bank Program for 1959 which will be of major importance for feed crops are (1) a discontinuance of the Acreage Reserve Program for corn and other basic crops, (2) a substantial increase in the rates of payment under the Conservation Reserve Program.

Under the Conservation Reserve Program the farmer puts cropland under contract for 5 or 10 years with the Government, sharing the cost of establishing approved conservation practices. Since a large percentage of the total cropland is in feed crops, much of the diverted acreage is from feed grains and forage. Conservation Reserve payment rates approved for the 1959 program average 35 percent higher than in 1958 for farmers putting only part of their cropland under the program. The national average annual rate for 1959 is \$13.50 per acre, compared with \$10.00 in 1958. Farmers who place all their eligible land in the program for at least 5 years earn a 10 percent higher rate which on the national average is \$14.85 per acre. The goal for this program is 12.5 million acres, which would bring the total to 22.5 million acres when added to the acreage under precious contract.

Not all States had the same percentage increase in payment rates since States with high yields and a larger proportion of harvested land received more substantial increases in their average rates.

### AVERAGE DAILY SALES OF:

	Fluid Milk	Chocolate	Buttermilk	Fluid Cream
	Quarts			
January, 1959.....	283,622	11,799	4,694	9,510
January, 1958.....	279,844	12,983	5,172	9,798
% of Increase or (Decrease).....	1.4	(9.1)	(9.2)	(2.9)



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PRODUCERS FAVOR  
NEW CORN PROGRAM

Seventy-one percent of the 347,000 corn producers in the commercial corn area voting in a referendum held November 25 favored the New Corn Program in preference to continuation of acreage allotments. Under the new program there will be no acreage allotments for corn nor other provisions for limiting the acreage planted to corn. The National average support price for corn under the new program will be set at 90 percent of the average price received by farmers during the three preceding calendar years, adjusted to offset the effect on such price of any abnormal quantities of low grade corn marketed during the three years, but not less than 65 percent of parity. The support level for 1959 has not been officially announced but it is estimated it will be between \$1.12 and \$1.15 per bushel. Thus, the 1959 support will be a little above the 1958 rate to noncompliers of \$1.06 per bushel, but well below the \$1.36 support to complying farmers.

The Acreage Reserve Program for corn and other basic crops also has been discontinued beginning with 1959. This, together with the removal of acreage allotments, is expected to result in a larger corn acreage in 1959. In 1952 and 1953, the last years when acreage allot-

Market Quotations

Jan.  
1959

12 MIDWEST CONDENSERIES 3.5% per Cwt. ....	\$3.062
5 CONDENSERIES (Cincinnati) 3.5% per Cwt. ....	2.990
5 CONDENSERIES (North Central Ohio) 3.5% per Cwt. ....	3.005
2 CONDENSERIES (Toledo) 3.5% per Cwt. ....	2.888
4 CONDENSERIES (Tri-State) 3.5% per Cwt. ....	3.100
Evaporated Milk Code Price, 3.5% per Cwt. ....	2.747
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati) ....	2.9926
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus) ....	2.990
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton) ....	3.014
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo-Tri-State) ....	2.888
Average Weekly Cheddars price per lb. ....	.31750
Average price per lb. non-fat dry milk solids, roller process delivered Chicago ....	.13500
Average price per lb. 92-score butter at Chicago (Equivalent Price) ....	.57744
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant ....	.1268

ments were not in effect, a total of 59 to 60 million acres were planted to corn in the 1958 commercial area. There has been a downward trend in corn acreage in the noncommercial area, principally in the South. Acreage in this area declined from 23 million acres in 1952 to 20 million in 1958. Total acreage of corn in the commercial area in 1952 and 1953, when there were no restrictions on corn acreage, offers some indication of the level that might be expected in 1959. Acreage in the non-commercial area would not be expected to differ materially from the 1958 level. The acreage going into the Conservation Reserve Program will have some effect on the acreage planted to corn and other feed grains in 1959.

Feed Concentrate Supply Up

(Continued from page one)

are that the rate of feeding per animal unit will be only slightly below the heavy rate of last year. Large feed grain supplies available at low prices are expected to hold feeding rates above average. Assuming liberal feeding per animal this year, the tonnage of feed grains and other concentrates fed would total around 147 million tons, about 5 percent more than in 1957-58 and a little above the record level reached during World War II. Allowing for other domestic uses and exports at the high 1957-58 level, carryover into 1959-60 would be up to around 75 million tons, more than a fourth larger than a year earlier.